



Is China the New Power in the Middle East?

Chinese Premier Xi Jinping ended a three-day trip on 11th December to Saudi Arabia, to great pomp regional and global attention. Xi Jinping called it “a new era” in Saudi-Chinese relations. Xi’s trip gained significant global media coverage with many believing China is the new power in the Middle East. Xi’s visit comes in the context of tensions with the US over Taiwan and with significant tensions also between Saudi Arabia’s de facto leader Mohammed bin Salman (MBS) and President Joe Biden. Many international media outlets saw Xi’s visit as a signal and display of strength to the US and Saudi Arabia moving away from the US to China.

Saudi Arabia and China showcased deepening ties with a series of deals. Both the Chinese and Saudi leaders signed a “comprehensive strategic partnership agreement” that included agreements on hydrogen energy and enhancing coordination between the Kingdom’s Vision 2030 and China’s Belt and Road Initiative. A deal was also struck over Huawei Technologies relating to cloud computing, data centres and building high-tech complexes. The nearly 4,000-word joint statement that was published by the official Saudi Press Agency (SPA), expressed agreement on a swathe of wide-ranging issues from including energy, security, Iran’s nuclear program, the crisis in Yemen and Russia’s war on Ukraine.

In the post WW2 era, it was the US that constructed the global order and the Soviet Union that competed with it for global dominance. China was largely disengaged from much of the world including the Middle East. It was only with the demise of the Soviet Union and with efforts to gain greater international recognition at the expense of the rival in Taiwan, that China began relations with some countries in the Middle East. In 1993 China could no longer fulfil its domestic energy needs from domestic production and it turned to the Middle East for its energy imports. By 1995 the Middle East became the number one source of oil for China. China’s rapid growth and stature as well as enormous population means it needs supply lines for raw materials, commodities and more importantly oil, and this is where the Middle East comes into the picture. China consumed 15.3 mbd of oil in 2021. Less than 5 mbd of this is from domestic sources, leading China to surpass the US as the top global importer of oil in 2017. There are 45 nations that fulfil China’s demand for oil; nearly half of this oil comes from nine countries in the Middle East, with Saudi Arabia providing the lion’s share. China’s most important reason for being present in the Middle East is energy. The Middle East will remain China’s largest source of oil imports and that is the strategic significance of the Middle East and Saudi Arabia, China’s largest oil supplier.

The recent tensions between the US and Saudi have been interpreted by many as a fracture in relations between the long term partners. The recent Saudi refusal to increase oil production has been seen as Saudi charting an independent course. But the tensions are in fact between the democratic party and MBS himself, rather than Saudi Arabia. Joe Biden in his presidential campaign made it clear that he wanted to move away from the personal relationship President Trump had with MBS and

wanted to isolate MBS for the murder of Jamal Khashoggi. When Biden took office he gave MBS the cold shoulder and tried to isolate him.

MBS responded by supporting the electoral prospects of the Republican Party, in whom he perceives the best hopes of his survival. Bruce Riedel, a senior fellow of the Brookings Institution, told The Intercept: *“The Saudis are working to get Trump reelected and for the MAGA Republicans to win the midterms. Higher oil prices will undermine the Democrats.”*[1] Jonah Shepp of New York Magazine highlighted: *“Of course, the real reason why Republicans are so quiet about the Saudis’ betrayal is that they stand to benefit from it politically on a massive scale. In itself, a slight uptick in gas prices isn’t necessarily a game changer for the midterm elections, but with so many tight races in key battlegrounds, it’s bad news for the ruling party.”*[2]

China’s biggest challenge in the Middle East is the presence of the US. The US after WW2 entered into an intense struggle with Britain to remove it from the Middle East. It used military coups and the threat of the communist expansion to get a foothold in the region. It provided security assurances to Saudi Arabia and Israel to establish a military footprint in the region. In the 1970s it deepened ties with Iran and Egypt through economic aid and military sales. The US provides a number of nations in the region with security guarantees, in effect providing a leg-up to these autocratic regimes in return for their loyalty. The US presence includes political plans for regional issues such as the two-state solution and it is experienced at maintaining a military presence so far from the US continent and in executing complex military operations and maintaining military bases overseas.

Challenges faced many challenges in the Middle East. China is not interested in arbitrating local disputes through the use of force. Indeed, China’s military involvement in the region has been modest so far. The creation of a naval base in Djibouti is the most visible sign of Beijing’s regional presence. Also, China has UN peacekeepers on the ground in Lebanon and some military advisers in Syria. But for the moment China looks happy with pursuing trade under the US regional security umbrella. Beijing has traditionally preferred the promotion of trade and investment.

Accordingly, although China’s economic involvement in the Middle East has grown over the last decade, its military and security involvement remain marginal. China’s growing interests and increasing engagement in the Middle East highlight its achievements so far. But for the moment China lacks the capabilities to bring these to bear. This affects how much Beijing is willing to devote towards the region. The result is China’s foray into the Middle East lacks any political or military dimensions and remains limited to economic and energy considerations.

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[1] [Saudi Arabia Oil Price Hike Is October Surprise Against Biden \(theintercept.com\)](https://theintercept.com/2021/10/05/saudi-oil-price-hike-is-october-surprise-against-biden/)

[2] [Did Saudi Arabia Just Hand the Midterms to the GOP? \(nymag.com\)](https://nymag.com/intelligencer/article/did-saudi-arabia-just-hand-the-midterms-to-the-gop.html)